Trade deficit

†315. SHRIMATI KUM KUM RAI: Will the Minister of COMMERCE AND INDUSTRY be pleased:

(a) whether the trade deficit of the country has started increasing again as a result of which economy is being adversely affected;

(b) if so, the details thereof; and

(c) the steps being taken by Government to correct the trade imbalance?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) According to provisional data of the Directorate General of Commercial Intelligence & Statistics (DGCI&S), Kolkata, trade deficit of the country increased from US$ 22.8 billion during April-January 2004-05 to US$ 33.8 billion in April-January 2005-06. One of the important reasons for widening trade deficit during the current financial year has been the increase in oil-imports by 47 percent.

(c) There are no measures to restrict imports or artificially balance trade that may lead to dampening of the growth of the economy or resurgence of inflationary pressures. However, export promotion is constant endeavor of the Government and a number of measures have been taken recently to further boost export. These include, *inter-alia*, bringing into force the SEZ Act 2005 to trigger a larger flow of investment in infrastructure and productive capacity; setting up Free Trade Warehousing Zones (FTWZs); giving a major thrust to procedural simplification reduce transaction cost of exporters; and signing regional trade agreements to leverage exports in line with India's comparative advantage.

PTA with Mauritius

316. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have given its go-ahead to the Preferential Trading Arrangement with Mauritius as a part of the Comprehensive Commercial and Economic Partnership Agreement;

(b) if so, the details worked out in this regard; and

†Original notice of the question was received in Hindi.

(c) the present status thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir.

(b) and (c) The text of the draft for the proposed PTA, Rules of Origin, the Operational Certifications Procedures and Wish Lists have been discussed by the two sides. The Empowered Negotiating Team is scheduled to hold the next round of talks in New Delhi during February 23-25, 2006.

FDI in small and medium scale industries

†317. SHRI DHARAM PAL SABHARWAL:
SHRIMATI KAMALA MANHAR:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether proposals to increase the limit of Foreign Direct Investment in small and medium scale industries is under consideration of Government;

(b) if so, the percentage of investment limit fixed during the year 2005-06 and whether any proposal to increase the said limit in the ensuing years is under consideration; and

(c) the details of action so far/to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (c) At present, there is no proposal under consideration to increase the Foreign Direct Investment (FDI) limit in the small-scale industries. There is, at present, no separate category industries classified as medium industry. The FDI policy is reviewed on a continuing basis to improve the investment climate in the country, consistent with the objective of accelerated growth of the economy.

Protest against import of gold

318 SHRI C. PERUMAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether gold is being imported;

(b) if so, the details thereof;

†Original notice of the question was received in Hindi.